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## IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF TEXAS TYLER DIVISION

IN RE: \$ \$ \$ CASE NO. 24-60504 \$ Chapter 7

## TRUSTEE'S JOINDER IN SUPPPORT OF PLANTSNAP INC, AND DEJ PARTNERS, LLC'S JOINT OPPOSITION TO DEBTORS' MOTION FOR RECONSIDERATION REGARDING ORDER CONVERTING CASES TO CHAPTER 7

COMES NOW, Areya Holder Aurzada, Chapter 7 Trustee (the "Trustee") of the Bankruptcy Estates of Eric Ralls and Earthsnap, Inc. [Case no. 24-60363]("Earthsnap") and files this Joinder in Support of *Plantsnap, Inc. and DEJ Partners, LLC's Joint Opposition to Debtors' Motion for Reconsideration Regarding Order Converting Cases to Chapter* 7 (the "Creditors' Objection") [Docket #68] and in support thereof would respectfully show the Court as follows:

- The Trustee incorporates and joins in the arguments asserted in the Creditors'
   Objection.
- 2. The Debtors' *Motion for Reconsideration Regarding Order Converting Cases to Chapter* 7 (the "**Motion**") [Docket # 50] filed in the Ralls bankruptcy case references joint administration in the style of the Motion; however, the Court entered an Order on April 21, 2025 dissolving the Joint Administration of the Earthsnap and Eric Ralls Bankruptcy Estates [Docket # 40].
- 3. The court previously ruled on a similar motion in the Earthsnap bankruptcy case when the Debtor in Earthsnap filed a motion for reconsideration of the order

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converting that case to a chapter 7 [Case no. 24-60363, Docket #176]. The court entered its *Order Denying Motion to Reconsider* [Case no. 24-60363, Docket #191] on June 10, 2025, in the Earthsnap proceeding.

- 4. The Trustee opposes the relief requested in the Motion.
- 5. On May 22, 2025, the Trustee conducted the First Meeting of Creditors for both Mr. Ralls and Earthsnap (the "Creditors' Meeting"). Mr. Ralls and his counsel appeared along with several creditors. The meetings were continued, because Mr. Ralls did not provide a copy of his last filed tax return, his driver's license or his social security card. In addition, there were significant errors in the bankruptcy Schedules and Statement of Financial Affairs of both Earthsnap and Mr. Ralls. The meeting of creditors was subsequently concluded on June 17, 2025.
- 6. Based on information provided by Earthsnap and Mr. Ralls at the Creditors' Meeting, Mr. Ralls owns an 86% interest in Digital Earth Media ("**DEM**"). On the amended schedules filed in the Earthsnap bankruptcy case, Mr. Ralls valued his interest in DEM at \$9,890,000.00.
- 7. Based on this estimate of value, the Trustee believes it would be in the best interest of creditors and the bankruptcy estates of Earthsnap and Mr. Ralls to conduct an auction of Mr. Ralls' business interests including his interest in DEM. If Mr. Ralls' estimate of value is accurate or even close thereto, there should be sufficient value to pay all creditors of both bankruptcy estates in full.
- 8. In addition, the Trustee has serious concerns about post-petition transfers that Mr. Ralls appears to be making between the various business entities and himself. Thus,

an auction of Mr. Ralls' business interests sooner rather than later appears to be necessary in order to prevent a diminution of value of the bankruptcy estates.

WHEREFORE, PREMISES CONSIDERED, the Trustee respectfully requests that this Court deny the relief requested in the Motion and for further relief as the Court may find appropriate.

Respectfully submitted,

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By: <u>/s/ John Paul Stanford</u> John Paul Stanford State Bar No. 19037350

PROPOSED ATTORNEYS FOR TRUSTEE

## **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been served on June 26, 2025, upon the Debtor, Debtor's counsel and all parties receiving electronic notice.

Gregor W. Mitchell Freeman Law, PLLC 1412 Main Street, Suite 625 Dallas, Texas 75202

Eric Ralls 6961 Park Slope Tyler, TX 75703

By: /s/ John Paul Stanford
John Paul Stanford